

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.



PULSE

WEST

EAST

PULSE

SECTION  
11-23-75

SEP 24 75

U.S. DEPT. OF AGRICULTURE  
NATL. AGRIC. LIBRARY  
SEP 10 1975



AUGUST 1975

OFFICE OF AUDIT  
U.S. DEPARTMENT  
OF AGRICULTURE



## NINE/NINE

*" . . . The rung of a ladder was never meant to rest upon, but only to hold a man's foot long enough to enable him to put the other somewhat higher."*

*Thomas Huxley*



LEONARD H. GREESS  
*Director*

The scope of internal audit in USDA is greater today than ever before because we have had in our organization people who have not been content to rest on prior achievements, but have constantly sought new challenges—statistical sampling and ADP some years ago—budget auditing and economic analysis in the past two years—to name just a few. Those with initiative and an eye to the future have met those challenges head on and have been rewarded not only with stimulating and gratifying experiences, but also with expanded capabilities that are bound to lead to professional recognition and career advancement.

Today we have still another challenge—another rung—one that looms large in every forecast of the direction internal audit will take in the years ahead. It is being described as “results auditing.” For those with an inclination to contribute to social and economic progress, “results auditing” in the USDA provides an exciting new dimension to the auditor’s current role. It provides a means for significantly influencing government programs and, in turn, the life and health and future of large segments of the country—and perhaps the world. For those who are competitive, it provides yet another test of professional ingenuity and ability.

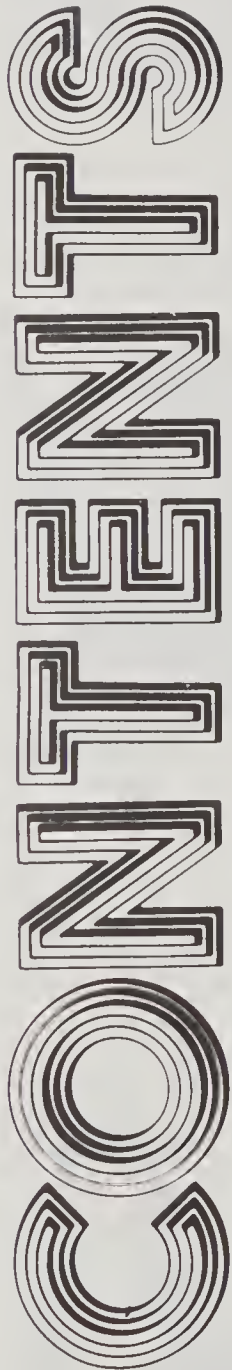
Some of you will quickly pass on to the articles that follow with the thought, “More propaganda from Washington.” OTHERS, HOWEVER, WILL TAKE THE INITIATIVE TO BECOME INVOLVED, and thereby capitalize on opportunities for growth, development and fulfillment. □

---

*Published semi-annually by the Office of Audit, U.S. Department of Agriculture. Unless otherwise indicated, material may be reprinted; please credit the publication and the author.*

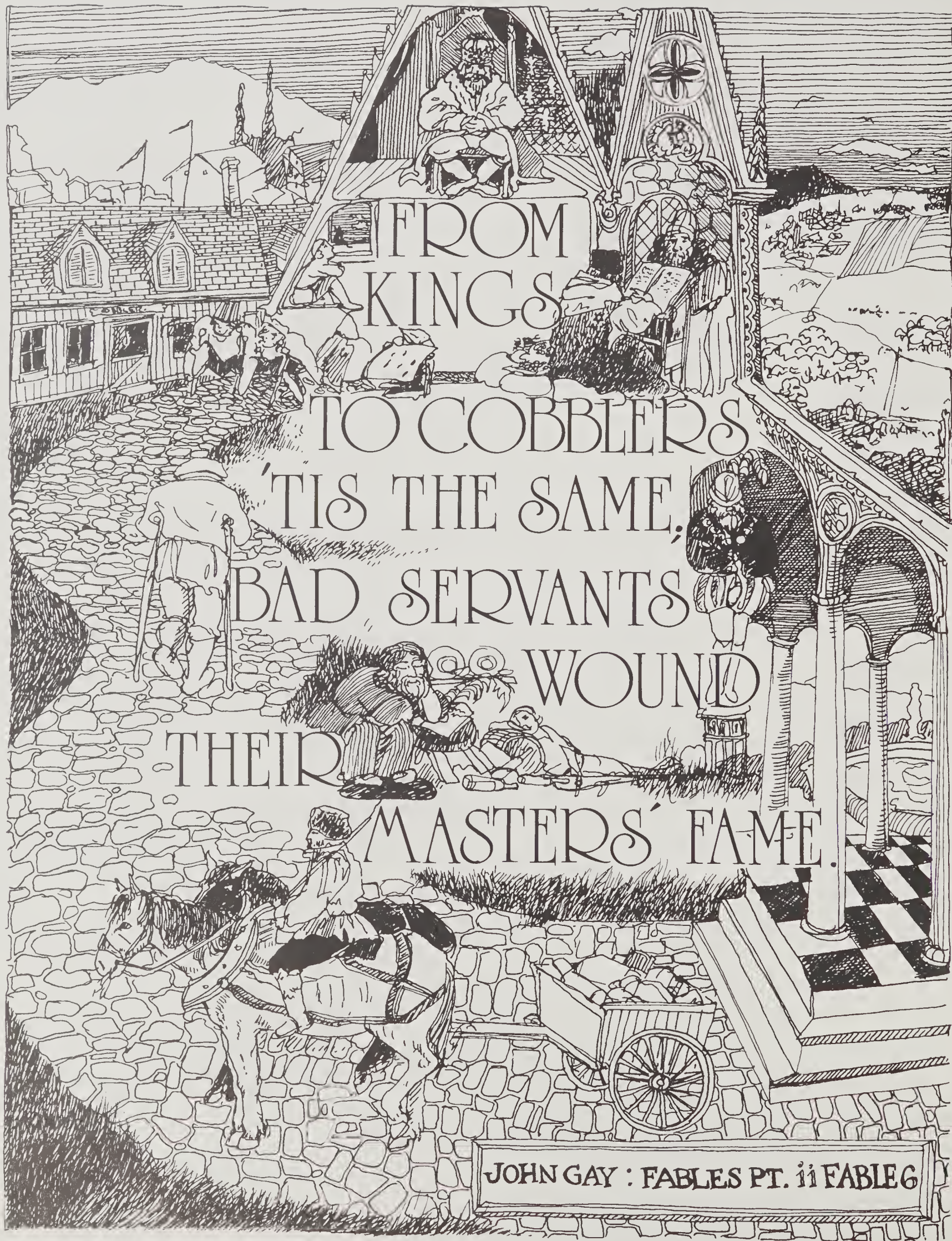
*Articles on accounting, auditing, investigations, law enforcement, management, personnel, human relations and experiences and related subjects are invited. Submit directly to: The Editor, Robert J. Hopkins, PULSE, Office of Audit, U.S. Department of Agriculture, Washington, D.C. 20250.*

*Except where otherwise indicated, the articles generally express the views of the authors and do not necessarily reflect an official position of the Department of Agriculture or the Office of Audit.*



	Page
<b>NINE/NINE</b>	
Leonard H. Greess— Ladder Rungs	Inside Front Cover
Light And Lively: Pffft	4
<b>FEATURE ARTICLE</b>	
What Audit Means To. . . —by Messrs. Greess, McGuire, Murray, Garnett and Sanders	6
Ducks In A Row —by Joe Taccino	11
The Mass Media And A Future Breed of Public Administrators —by J. Paul Bolduc	14
Economic Analysis - Auditor Training And Field Experience —by Shep Moore	17
A Letter From Dad	20
The Great Sage Revisited Or, MBO Impossible	21
<b>PERSPECTIVE</b>	
Roy Neal - Setting The Stage	Inside Back Cover
INBASKET - pgs. 12-13	
SPOTLIGHT - pgs. 22	
CAPITOL TRACT - pgs. 23	
BOOKSHELF - pg. 24	







## **ALAN COHEN**

**The new look? That's Alan Cohen. His fertile mind produced most of the art and graphics for this issue.**

**Who is he? Alan is many things but mostly he's a talented artist. He's a teacher, painter, master lithographer, calligrapher. He is at home with any media: water colors, oils, pastels - you name it. The teaching bit - that's Oakland Mills High School in Columbia, Maryland.**

**Cone, as he is known to his friends, is a graduate of Carnegie-Mellon in Pittsburgh, Pennsylvania.**

P f f f t



Into the haze of blue spotlights walked Frank Ketchum, a reserved, robust man, between 30 and 60 years old. The auditorium thundered as thousands of pairs of hands greeted him with the sweet sounds of victory. He bowed slightly to the crowd and moved gracefully to the microphone, the silver buckles on his white suspenders gleaming in the lights. The crowd jumped to their feet applauding and shouting words of encouragement. For more than anyone else, this was Frank Ketchum's night. He had picked off the most coveted of the annual Pfffft awards.

Holding his trophy aloft, Frank demurely told his story. "I knew," he said, "I had a shot at it along about four o'clock on Wednesday of the second week. It was just a matter of hanging in there and hoping for the best." Yes, Frank had done it, stylishly, as is his fashion. Ten days, three hours and six seconds "on call" for a meeting with the Director of Audit established a new record for this category.

In a magnificent gesture of solidarity, 123 other nominees in this category withdrew from consideration. The award to Mr. Ketchum, rightfully, was by unanimous acclamation.

This moment was the highlight of last night's Pfffft awards ceremony. Altogether, a total of sixteen awards were presented by a glittering array of prominent celebrities of stage, screen and politics. Only a minor scuffle between one of the disappointed nominees and an award winner marred the festive occasion.

In accepting his award for the greatest volume of unusable printouts from a STRATA application (183 pounds), Ken Redman told the tensely emotional audience that he valued the award highly and would

not wish to have anything he now said detract from the honor paid to him in any way. "To be perfectly candid," he said, "this is the second award I have received for my efforts in this matter. Only last Saturday I received a special citation from Boy Scout Troop 1179 for the greatest single contribution to their Wednesday morning paper drive."

After the applause died down, Ken went on to say that, in all honesty, he had to share his award. "I owe this award," he announced, "more than anything to a sensitive, understanding computer named Harold. Thank you, Harold, with all my heart."

A delightful change of pace was introduced into the proceeding when the emcee, Earl L. Butz, the affable Secretary of Agriculture, stepped to the podium and announced that he would like to present the next two awards. He said that he was particularly intrigued by one of them because he had always marveled at the part that luck played in winning some awards. He noted that nine nominees had struggled almost a year for recognition only to be wiped out in the eleventh hour by a chance remark over coffee by a long term employee of the Department of Agriculture. "It is entirely fitting," the Secretary said, "that the 'where have you *really* been all these years' award should go to Don Leeman for his question: what's hay?"

Don accepted his award with a simple thanks. Even the nine disappointed nominees were in agreement that Don was the logical choice.

The Secretary then presented the next award to the widely grinning Ann Withers for executing the most desirable self-transfer of the decade. Along with her expressions of gratitude for the award, Ann said that "San Francisco was undoubtedly the one place in the



country conducive to the selection of statistical samples."

Millard C. Baker, nattily attired in blue tweed overalls, white shoes, an orange shirt, carefully coordinated purple tie and socks, accepted the award for his work on systematized logistical projections from Ben Robinson. Millard said, "I take pleasure in accepting this award. I want to thank all those in Headquarters who did not recommend me for this award because they don't know their regression coefficients from their integrated transitional time-phase. Also, because they did not grasp the simple parallel reciprocal concept, the current report on the subject will not be published until June 1980 when the concept will be obsolete."

Despite his somewhat adverse remarks, the contingent of several hundred Headquarters employees favored Mr. Baker with a handsome

round of applause sufficient to drown out the few cat calls uttered in the back of the room.

No surprise was the awarding of the special M. Dunlap award to Robert J. Hopkins for doing the least to advance the cause of computerization. His remarks on accepting the award also came as no surprise. Halfway through his remarks, Mr. Hopkins asked if those in the back of the room could hear him. Floyd Cotton, in his capacity as group chairman, responded, "Unfortunately, yes."

The chorale, featuring a duet by Frances Goldstein and R.L. Cockrell singing a medley of "Dixie" and the "Battle Hymn of the Republic," provided the background for the evening's final awards. Ten auditors, all wearing stylish ski-masks and jump suits, quietly accepted awards for the most number of consecutive no finding audits in the past fiscal year. □

### Notice

**Nominees for next year's awards must be received by  
March 17, 1976.**

**—The Editor**

---

## Objective

*One of the important functions of a leader is to make the organization concentrate on its objectives. In the case of Avis, it took us six months to define one objective - which turned out to be: "We want to become the fastest-growing company with the highest profit margins in the business of renting and leasing vehicles without drivers."*

*Once these objectives are agreed on, the leader must be merciless on himself and on his people. If an idea that pops into his head or out of their mouths is outside the objective of the (organization), he kills it without a trial.*

*Peter Drucker was never more right than when he wrote: "Concentration is the key . . . no other principle of effectiveness is violated as constantly today as the basic principle of concentration . . ."*

*Most of all, work on simplifying and distilling your statement of objectives. Cato boiled his down to three words\* - and by saying them over and over eventually wiped out the competition.*

*(UP THE ORGANIZATION by  
Robert Townsend, Fawcett  
Publications, Inc.)*

\*Lest we forget, the words, were: *Delenda est Carthago.*

# WHAT AUDIT MEANS TO . . . . .

## **The Director, Office of Audit**

The Secretary, his staff and the agency heads are answerable for the ethics, loyalty, efficiency, frugality and responsiveness of the 80,000+ employees in the Department.

They must administer some 300 programs. The administration must be efficient—and it must be honest.

The very size of the Department precludes the key executives from having detailed knowledge of what is occurring at the many thousands of USDA locations throughout the world. If they are to achieve the goals and objectives they have set, they need a means of projecting themselves into those areas where their presence is needed. What is required is a planned system of performance appraisal that will get to the cause of problem situations and recommend the needed corrective measures.

We have such a means in the form of audit—operational and management audit.

Audit provides a means to test operational effectiveness; a means to let responsible officials know whether the Department is being operated effectively and with integrity—that quality does not fall victim to quantity—that increased cost not mean waste and inefficiency—that there are no incidents in the making which will diminish public faith—that the public is getting “a dollar’s worth of value for every dollar spent.”

Audit provides a system to pinpoint trouble spots in the complex of people and paper—a system that sounds the alarm for the Administrators and Secretariat.

Audit is a way of exercising control; a way of improving coordination and performance; a way to follow through on instructions and programs; a way to test progress and measure degrees of accomplishment; a way to discover disagreement and opposition; a way to evaluate and counteract the all-too-human tendency for those preparing data and reports to manipulate this data to their advantage, to explain away non-performance.

In short, it is a way to answer the question, “How are we doing?” It will also have a salutary effect in forestalling corruption by being an ever-present deterrent to those faced with temptation.

The audit function can be of real service to management only if it is wide-ranging, if it is not restricted as to its review, and if it has, as its primary aim, an objective and searching evaluation of the effectiveness with which resources of all kinds are utilized. Foremost among the roles of “management auditing” is the measuring of achievement—the appraisal of progress toward planned goals and objectives.

The final measure of the usefulness of audit is in the action it fosters. To foster action, audit must provide a sufficient inflow of information at the right time, to the right people. Through close continuing cooperation with the planning and budget staffs of the Department, as well as with the Secretariat and top line managers, Audit can



optimize this inflow. A prime example is timely input of pertinent data during the budget development process. This then opens many opportunities for formulating policy; intervening when necessary; asserting personal control when advisable; insuring coordination; preventing others from foreclosing options and preempting opportunities; and for improving the capacity to anticipate and plan.

Audit provides a detection with follow-through capability essential to responsible and responsive administration. □

— *Leonard H. Greess*

## **The Chief, Forest Service**

Departmental audits of the Forest Service no longer consist of an individual in a business suit sitting in a corner with stacks of paper filled with figures. Today, that auditor may be sitting next to you at an avalanche training meeting or an air operations school. He may be that ski-clad individual examining the lift operations and the snow conditions on the slope at a Forest Service winter sport site; or he may be that young fellow standing on the flight line observing air operations on a major fire, the same man who flew his own plane to the air base to see how the paper planning was converted to action.

These audits now mean on-the-ground, and in the above mentioned case, in-the-air evaluation of program activities in a large, widely-scattered organization which has varying, and often seemingly conflicting responsibilities.

The Forest Service has direct management and protection responsibilities for a land mass representing eight percent of the United States, consisting of National Forests, Grasslands and Land Utilization Areas, as well as research and cooperative ventures in all 50 States. To administer these lands and operate its other programs, the Forest Service has the largest number of permanent and part-time employees in the Department.

I won't go so far as to say that the Forest Service has an absolutely unique variety of programs, but I can say that at one time or another various special interest groups have taken the responsibility for what I might call "verbal audits" of Forest Service programs. These groups range from the mining industry, to timber producers, to the Sierra Club, to a Ralph Nader study group which spent a summer in the Washington Office conducting its own unique form of "audit." I think all of these can fairly be called "special interest audits." They have a value to us, but they often fail to meet the Forest Service decision makers' need for objective audits to use as benchmarks of progress.

Audits aid decision makers in several basic ways. First of all, an audit provides an added resource to help management administer programs. It can determine whether new programs are successful or not, and if not, can perhaps suggest ways to reverse the trend and improve or salvage the program. Audits can identify how well new legislation and responsibilities are fitting into on-going programs. They can identify inconsistencies between field unit programs and national direction. And, perhaps most importantly, by taking an objective look at the past and present, they make it possible to better assess and improve the future or at least try to refrain from repeating old mistakes.

I've heard auditors trying to match the merits of internal review against the objectivity of external audits. I like to think that the Office of Audit provides the best of both

worlds for the Forest Service. Audit teams assigned to Forest Service work almost always include one or more former Forest Service employees transferred to the Office of Audit for three years as a step in their career development. These people have a first-hand knowledge of agency responsibilities and programs, and a technical knowledge which can aid in providing the understanding necessary to determine why some programs are not functioning at optimum level. Likewise, these auditors are not directly involved with current programs, so they can step back and see the forest as well as the trees. Departmental auditors with their breadth of experience in all of the agencies and their detailed knowledge of government-wide, as well as departmental regulations, round out what I consider a well-balanced audit staff.

Audit is important to the Forest Service now, but it will be even more vital in the future. The Forest and Rangeland Renewable Resources Planning Act of 1974 requires the Forest Service to periodically assess all renewable resources in the United States—roughly 1.5 billion acres—and to make long range plans for all Forest Service programs in the context of that assessment. You might be wondering what audit, as an evaluation of past or present conditions, has to do with the future. I think it has a great deal to do with planning that future. It can tell us how well programs are operating so we can attempt to improve old programs and focus our sights more clearly on new ones.

The complicated and inexact process of long range planning for national goals, coupled with a decentralized organization such as we operate, could lead to a disastrous situation with each office or unit running off in a different direction. Audits are the best—in fact, just about the only—way of making sure that programs are unified and heading in the same direction. The greatest service an auditor can give the Forest Service is to honestly and objectively evaluate our programs. The auditor's findings can then be the foundation stones upon which necessary, constructive change can be built. □

— John R. McGuire

### **The Kentucky State Conservationist, Soil Conservation Service**

When we learned of the scheduled audit of SCS activities in Kentucky by the Office of Audit, we thought it would give us an opportunity to help us improve operations in areas where we had some concern. We notified the Office of Audit through our Deputy Administrator for Management of specific points of SCS program management where we felt an audit could be of particular value.

One of these points involved looking at how our area conservationists functioned as supervisors of the district conservationists and field offices in their areas. Beyond the state office staff in Lexington, SCS has organized its personnel in eight areas across the state to provide soil and water conservation help through 121 local conservation districts covering about 25 million acres in 120 counties.

Our area conservationists have a big job and they generally do it very well. So do their district conservationists and other personnel under them. Yet, we were concerned about the growing press of responding to increased calls, from many and varied interests, for technical conservation assistance. We wanted to determine just how effectively we were carrying out our primary mission of providing on-site help to land owners and operators.



Upon their arrival, the auditors were already well-informed about SCS programs, and we were ready for their visit. This joint preparedness meant much in launching a very interesting and useful audit. Indeed, the working relationship between the auditors and our own people around the state was one of trust and cooperation. They wanted to learn what they needed to know specifically about SCS in Kentucky in a comparatively short time, and we wanted them to learn it in the interest of helping us.

In the few months they were with us, interrupted occasionally by official demands on their time for other audits, the auditors analyzed policy memoranda, job descriptions, program inspection reports, and other data. They also made several trips to field offices to get a first-hand look at our statewide operation. From this study, they came away with a fair grasp of most of the facts on which to base their recommendations.

Finally, at the exit interview, we carefully and openly went over the draft review audit report with the audit team. They were receptive to our suggestions on changes in the report to better reflect the situation. We found the report to be fair and generally workable in its recommendations. And although it tended to be more negative than positive, with management weaknesses frequently repeated in each of the areas cited, the report was acceptable and we made good use of it. We discovered that generally what was true of the three areas in the state selected for close audit review, was also representative of the other five areas. All eight area conservationists soon put the pertinent recommendations into action with their district conservationists.

The audit has helped both our area and district conservationists to develop better plans of operation and progress reports, and to detail more meaningful conservation needs, priorities and specific goals. They're also developing improved monthly and weekly activity schedules, and they're sticking to these schedules. In their schedules and time reports, area conservationists are now separating time spent in the field offices supervising their district conservationists from time spent providing indirect guidance from their own offices. As a general rule of thumb, an area conservationist is to give about 30 percent of his time to all of his district conservationists. However, as needs vary, this is to be used as a flexible standard on which to base the number of visits and time spent in each of his field offices.

We feel that the audit was a good experience for us and for the auditors. Indeed, the audit review report has helped to enable us to do something that ironically we had long been trying to do more of—to get back closer to where we began in SCS, giving conservation assistance on the land. □

— *Glen E. Murray*

### **A Program Manager, Food and Nutrition Service**

The Special Feeding Program Branch administers, at the national level, summer and year-round food service programs in non-residential child care centers serving eligible target areas. The summer program supplements school nutrition programs by reaching children in target areas during summer vacation.

To us, an "audit" by USDA's Office of Audit is actually a welcome thing because it helps us do our job better. Auditors point out where we need to refine our regulations and guidelines; or they may show us where we need to do more work. In addition they help by identifying instances where our regulations may not be fully complied with.

One of our concerns about audits is that the auditors have a thorough knowledge of our regulations, and further, that they understand the legislative intent of the program. This helps assure “balanced” or fair audits.

One particularly beneficial example of how auditors help us is in the operation of summer feeding programs. They have made objective or “outsider” assessments of how well these programs are operating, and in response to our requests, have looked into questions like:

- Is the local sponsor adequately supervising his operation?
- Are meals served that meet minimum Federal standards?
- Are meals served only to children?

We need answers to these questions and they help provide them.

Sometimes, of course, when the local people hear that auditors are coming to look into their operation, there is some understandable consternation and apprehension; but either we, or the state agencies through which we work, assure them that audits are definitely in their, and our, best interest. □

—Stan Garnett

### **The Dickson County, Tennessee, County Supervisor, Farmers Home Administration**

The first reaction I have to an audit is apprehension as all sorts of questions race through my mind. Will the auditor be fair? What kind of mistakes will he find? What will the outside people and borrowers interviewed say about our office? Have we inadvertently overlooked some regulation or requirement?

Even though audits cause this apprehension I think they serve a useful purpose if conducted accurately and fairly. They can serve, in my opinion, to help keep us on the “right track” in administering the programs. Audits that are conducted primarily to determine whether or not programs are being carried out according to regulations are of more value than audits that check the mechanics of program operations only. OMAs can do this.

I do not mind an audit conducted by an auditor who understands the programs, is thorough without being belligerent and doesn’t leave the impression that he is out to “get you”.

I think an employee should be able to answer questions frankly without fearing that what he says may be quoted out of context. Unfortunately this is not always the case.

The audit is of more value to me if all exceptions are thoroughly discussed while the auditor is at the office. Audit reports which contain exceptions not covered in the discussion are very disturbing because misquotes and erroneous information cannot be refuted.

To summarize my feeling about audits, I have no quarrel with audits conducted fairly, openly and thoroughly. They can be very helpful to the persons being audited as well as officials concerned with whether or not programs are being conducted properly.

On the other hand audits not conducted in the above manner are of little value and sometimes do more harm than good, in my opinion. □

—James A. Sanders



# DUCKS IN A ROW

—by Joe Taccino

OK, so you're *considering* retirement. Well, consider the retirement process, and what assistance is available to you to help you plan your retirement and get your case processed as smoothly as possible.

A retirement counsellor is available (for you the counsellor is Mrs. Betty Call, Room 351-W, Administration Building, Washington, phone 202-447-3285) to personally assist you in answering your questions and providing you with information on your benefits under the system. She also can prepare estimates of your annuity. The Civil Service Commission (CSC) has, of course, the final responsibility on retirement matters.

Betty also has retirement kits consisting of the necessary forms, helpful federal tax and social security pamphlets, and general information on the retirement system. These are available upon your request.

In your considerations, don't overlook cost living increases that occur periodically. Eligibility for those require retirement prior to specified dates. For example, employees who retired before August 1, 1975, received a 5.1% increase in their annuity plus the possibility of part of the 7.4% increase which was effective January 1.

OK, you've *decided* to retire. Now what happens? Remember, there are many cases like yours coming through at the same time. Too often you can be your own worst enemy. Early errors can result in much delay if they are not caught since they can be compounded as cases move through the system.

Most errors occur on the Time and Attendance Reports. To have a smooth receipt of your lump sum payment, be sure that your leave is accurate. Late repayment of a travel advance can cause a long delay in receipt of the final salary check and lump sum payment. Be sure to turn in all property and credentials promptly.

If you have had a refund of retirement deductions, it is important that you repay the refund. If you do not, the service involved is lost for annuity purposes although it will count toward the number of years of service.

Think about your lump sum payment. You can be paid for your leave ceiling plus any leave you have accrued in the calendar year in which you retire. You may elect in writing the 20% tax on the lump sum as opposed to the usual approximate 40% tax taken out. This money can be used as a buffer until you receive a supplemental check from Civil Service approximately 2 months later. A supplemental check is based on approximate figures and will be adjusted to the correct amount when your case is fully adjudicated.

It takes approximately four to six weeks to clear optional retirements through the National Finance Center (NFC). Lump sum and final salary payments are usually made within three weeks of receipt by NFC. The case then goes to the CSC. They acknowledge receipt and furnish you a Civil Service annuity number. They also place you on special payment until your case is processed. Special payments are approximately two thirds of your annuity. Normally, special payments begin within four weeks of their receipt of your case.

When the final decision is made and you have decided to file for retirement your counselor will be ready to answer any questions you may have about the form SF-2801, *Application for Retirement*, and your amount of annuity. Please feel free to call your counsellor with any questions at any time. Remember that your counsellor is here to help you. □

---

E. JOSEPH TACCINO is the Chief of the Employees Relations Branch, Personnel Operations Division, Office of Personnel, USDA.

## THE DISNEY WORLD OF ERDA

Writing in the May 1975, issue of the Audit Bulletin (Office of Audit and Inspection, U.S. Energy Research and Development Administration), Dick Haller tells us“ . . . it occurs to me that numerous similarites exist between visiting Disney World and auditing in ERDA.” Then he goes on to ask us to “Wait, give me a chance to try to explain.”

Well, Dick, we didn't. We figured you didn't owe us any apologies or explanations. We understand.

### FULFILLMENT

We ran across this item in John Cramer's column (The Washington Daily News, August 29, 1968); he got it from the Cosmos Club Bulletin. It has haunted us ever since. As a service to those of our readers who may have missed it, we are glad to reproduce “How to Win At Wordsmanship.”

After years of hacking through etymological thickets at the U.S. Public Health Service, a 63 year-old official named Philip Broughton hit upon a surefire method for converting frustration into fulfillment (jargonwise). Euphemistically called the Systematic Buzz Phrase Projector, Broughton's system employs a lexicon of 30 carefully chosen “buzzwords”:

Column I	Column II	Column III
0. <i>integrated</i>	0. <i>management</i>	0. <i>options</i>
1. <i>total</i>	1. <i>organizational</i>	1. <i>flexibility</i>
2. <i>systematized</i>	2. <i>monitored</i>	2. <i>capability</i>
3. <i>parallel</i>	3. <i>reciprocal</i>	3. <i>mobility</i>
4. <i>structured</i>	4. <i>digital</i>	4. <i>programming</i>
5. <i>responsive</i>	5. <i>logistical</i>	5. <i>concept</i>
6. <i>optional</i>	6. <i>transitional</i>	6. <i>time-phase</i>
7. <i>synchronized</i>	7. <i>incremental</i>	7. <i>projection</i>
8. <i>compatible</i>	8. <i>third-generation</i>	8. <i>hardware</i>
9. <i>balanced</i>	9. <i>policy</i>	9. <i>contingency</i>

The procedure is simple. Think of any three-digit number, then select the corresponding buzz-word from each column. For instance, number 257 produces “systematized logistical projection,” a

phrase that can be dropped into virtually any report with that ring of decisive, knowledgeable authority. “No one will have the remotest idea of what you're talking about,” says Mr. Broughton, “but the important thing is that they're not about to admit it.”

### AMEN

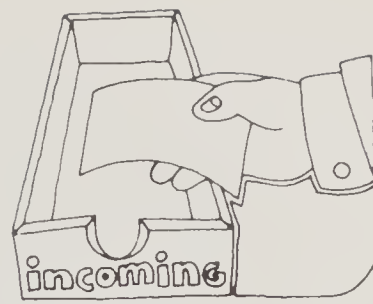
In the May/ June 1975 issue of the Internal Auditor, Robert L. Funk, says, in part: “As a minimum, an auditor in the government sector should have sufficient exposure in political science to understand governmental institutions, their operation, and the factors that affect them. Courses in American government, state and local government, political philosophy, political policy, public finance and the budgetary process, and administrative law would give the governmental auditor the prerequisite background to better understand the environment within which he is conducting his audit. This would certainly sharpen his ability to conduct they type of audit that would be most beneficial to all concerned in achieving the three “E's” applicable to the government as a whole or to any of its programs: efficiency, effectiveness, and economy. Such a background would also aid in preparing an audit report and directing its commentary in a way so as to enhance the implementation of the recommendations.”

### ODDS AND ENDS

A compatriot of ours likes to capture flies in his car at the start of his audit trip and let them out in a strange environment when he reaches his destination. He imagines the fly's reaction: Where am I? What's that strange smell? Myrtle will kill me if I'm late again for supper! At last count, he figures he has broken up over one thousand happy fly marriages. (That certainly qualifies as odd.) . . . . . It occurs to us that the only time that one writes clearly is when the topic has something to do with *clear writing* . . . . . We have never met Willie R. Jones who apparently is ensconced in room 19-E of the Administration Building. Sight unseen, though, he merits our sincerest admiration for possessing two \$100 bills at the same time. We were sorry to hear that he had them stolen but, praise be to Howie Cosell, his



# BASKET



remembrance of the serial numbers on the bills may aid to their recovery . . . . An acquaintance of ours opines that "length of service awards are the most important nonoccasion of any year" . . . . Scientists know that the brain is divided into two halves like the kernel of a walnut. Speech and other analytical functions are located in the left hemisphere, while spatial and intuitive activities are performed by the other hemisphere.

The analytical mode of thought is characteristic of Western cultures, while intuitive reasoning equates more with the "mystical" Eastern cultures and traditions. By scorning the intuitive mode of thought, Psychologist Robert Ornstein feels, Westerners are losing a whole mode of conscious experience, a mode that would not only help us appreciate more of the aesthetics in our lives, but would also enable us to solve problems more imaginatively - intuition is the stuff of genius. (THE SATURDAY EVENING POST, APRIL 1975.) . . . . Perhaps this explains such phrases as "half-baked ideas" and "half-witted people?" . . . . We love the way people don't offer any alibis. Listen to one famous golfer being interviewed after a bad round in a tournament: "I could alibi but there's no point to that." You know what's coming up next, don't you? Right! The alibi. "I have had a flareup of a chronic back condition and I'm wearing a brace on my right knee." In case you missed the point you will surely get it after he goes on about being in the hospital for a check up and how that knee brace fouls up his golf swing. But the golfer can take a back seat to some of us trying to explain audit overruns. (This most certainly is the end.)

## UP THE BRICK WALL

The SPARKS - BEST EVERY IDEA HAS ITS TIME PRINCIPLE is really an axiom in disguise - brought to that estate by LOFTY BLIND ACCEPTANCE (a young, left-handed pitcher out of Scranton, Pennsylvania). The application of this principle is simplicity itself: anytime an idea crops up, file it away *immediately*. This way only one person gets upset and business can continue as usual. In due course, after it has WITHSTOOD THE TEST OF

TIME, back it comes with a brand new sponsor.

Until now, the manner in which TIME tests an IDEA has not been clearly understood by the masses. It was in the same boat as Einstein's Theory of Relativity - the language was much too technical. Reduced to simple language, each second that passes nudges the IDEA to see if its done—much in the same way that you would open an oven door to see if the biscuits are reaching the desired golden brown color.

That SMALL VOICE CRYING IN THE WILDERNESS is, of course, the original sponsor of the idea watching the new sponsor receiving an award for the reintroduction of the IDEA which has WITHSTOOD THE TEST OF TIME.

## JUST WHAT IS A GRANDPARENT?

We don't know where this came from but we like it well enough to pass along:

"A Grandmother is a lady who has no children of her own, so she likes other people's little girls. A Grandfather is a Man Grandmother. Grandmothers don't have to do anything except to be there. They are old so they shouldn't play hard or run. It is enough if they drive us to the market where the "Pretend Horse" is, and have lots of dinner ready for us. If they take us for walks they should slow down past things like pretty leaves and caterpillars. They should never say "Hurry up."

"Usually they are fat, but not too fat to tie kid's shoes. They wear glasses and funny underwear. They can take their teeth and gums off. It is better if they don't typewrite or play cards except with us. They don't have to be smart, only to answer questions like "Why dogs hate cats or why God isn't married?" They don't talk babytalk like visitors do because it is hard to understand. When they read to us they don't skip or mind if it is the same story again.

"Everybody should try to have a Grandmother, especially if they don't have television because Grandmas are the only grown ups who have got time."

# THE MASS MEDIA

## AND A FUTURE BREED OF PUBLIC ADMINISTRATORS

A Talk Given By J.P. Bolduc At The 1975 National  
Conference on Public Administration

Since the rise of modern presidential and other high level of press conferences, the mass media has had the power to question the Chief Executive as well as other key public administrators face-to-face, to needle them, to embarrass them, to force them into positions or into public refusal to take a position. This has caused public administrators to frequently take a long hard look at what they are doing and why. In some cases, this has been good—especially when it has resulted in improved accountability. In other cases, it has been bad, especially when it has resulted in manipulating the public. Much of this depends on how and by whom it is being viewed. Even the phrase “no comment” has become a way of saying something important. The public administrator seldom dares to refuse inquiry by the mass media. If he does, that refusal, in and of itself, can become news.

Public Administrators, in large part, rely on the media to inform the public about their proceedings, decisions, programs, and policies. The media, on the other hand, relies on public administrators as sources of information. Each has its own built-in objectives and biases.

The media, understandably, cannot take the role of sweetheart. The necessity for challenging and objective reporting is a must and most certainly does not stem from the fact that public administrators lie. But, because they believe as strongly as they do that their policies and programs are the proper ones, they occasionally approach the public interest through a narrow channel and self-serving perspective. Thus, the need for having to account to the public through an independent and hopefully objective media.

### HOW MUCH TO TELL

As a public administrator, I believe there are really three ways to deal with the media:

- Tell them everything

- Tell them nothing—which usually gets them quite excited and may carry them far beyond the initial area of inquiry
- Try to manipulate them—the far more undesirable of the three.

My experience has shown the first to be the best—tell them everything. This must, however, be tempered with the assumption that what is told will be fully reported in a clear, accurate and objective way. More frequently than I would like to see, this is not always perceived as being the case.

Just as public administrators believe their policies and programs to be the best, so do representatives of the media. All too frequently, they become overly concerned with, and generate excessive enthusiasm for, certain positions which they view as necessary for the good of the public. As a result, what's reported is oftentimes viewed by the public administrator as something altogether different than what he thought was furnished the media in the first place. This, in turn, places the administrator—who initially intended to tell all—in a position of having to reevaluate his stand on “telling all” and perhaps consider revealing less than the complete picture the next time around. And so goes the process.

### NATURE OF RELATIONSHIP

This is why most media representatives are adversaries to public administrators. I believe this is good. No matter how friendly they are, there should always be a degree of tension in the relationship when serving in each of their professional roles. I define this adversary relationship as a delicate balance between tact and antagonism, trust and doubt, cooperation and conflict. To assure that this essential quality is carried out, the media must take a proper stance



toward its sources while yet remaining independent of them—they must play it straight. Even though the “why” has been added to the who-what-where and when formula of reporting, media representatives must constantly guard against the belief held by public administrators that by sensationalizing the “why”, they will eventually be rewarded with a syndicated column or a top job with a TV network.

The public administrator, on the other hand, must not try to manipulate the media to further his programs, policies, career or to enhance his reputation. He must also guard against trying to manage the news. While this action—closing down the channels of information—might achieve a self-serving objective, it would do a most serious disservice to the public—the making of key decisions without public debate and controversy.

I believe it was former President John F. Kennedy who said after the disastrous Bay of Pigs invasion—which the media had not warned us about to avoid jeopardizing national security—that he wished that hints of the invasion had been published which could have caused it to have been reappraised. While this may have been the former President’s position on an after-the-fact basis, I’m not so sure that he would have favored the reporting of the planned undertaking before the fact. The point is, though, that airing before the public is most generally beneficial.

As public administrators, it is also very important for all of us to recognize the relationship that exists between media representatives. While there are some who stray and are non-conformist by nature, by and large, media representatives tend to travel in a pack. One well-known columnist, Stewart Alsop, even compared them to a pack of beagles.

“There is a physical resemblance: Not all reporters have stumpy legs and prominent tails (though some do), but almost all develop in time the anxious, preoccupied, self-important air of beagles. The resemblance, however, is more spiritual than physical. The beagle is a highly competitive dog: But he is always ready to follow uncritically any other beagle who claims to have smelled a rabbit. When one beagle gives tongue, all others instantly join in, and off the whole pack screams, each yelping like mad in order to convince the onlookers that he was really the first to pick up the scent. Sometimes the scent is actually that of a rabbit, but quite often the beagles, as they chase each

other around in circles, giving tongue lustily, are simply smelling each other.”

Thus, it is with the media—when one reports something which is or seems to be something new or important—most media representatives begin to follow the same story.

## A FUTURE BALANCE

The profession of public administration is confronted with an unprecedented need for competent and well-rounded managers. The profession has embarked on, and has been subject to, a variety of changes which have multiplied the challenges it faces and exacerbated its management problems. The public administrator of tomorrow must have developed knowledges and abilities for improving performance—environmental knowledges, financial abilities, management knowledges, political knowledges and sensitivities (internal as well as external), interpersonal and personal abilities—as well as those unique to a particular technical, managerial, functional or programmatic discipline.

In the mid 1970’s this kind and caliber of manager is in short supply and in great demand. This condition has been further aggravated by an unprecedented expansion in the size of the average federal, state and local agency. Moreover, the increasing complexity of the management process tends to naturally screen out the less successful administrators and thus increase the demand for administrators who can perform well in this most challenging environment.

Add to this rather complicated picture, the future administrator’s need to be familiar with, and having demonstrated an ability for, operating in a working environment dealing directly with consumers, producers, taxpayers, environmentalists, equal opportunity activists, public unions and political interfaces. And, let us not overlook the very real—but yet unfelt—impact of recently passed legislation in the areas of “Rights of Privacy” and “Freedom of Information”. The media, among others, will most certainly avail themselves of information under the Freedom of Information Act. In turn, it will be the public administrator who will need to effect decisions in this connection, recognizing that the requested information can and will be made public, while at the same time assuring that the rights of an individual’s privacy are not violated in the process.

There is no question in my mind but that the media has, and will continue to have, a major impact on the

breed of future public administrators. Taken alone, the challenge of finding and retaining good competent talent is difficult enough. But add to this such external factors and pressures as the media, public, politics, environment and you end up with a reduced population of competent managers who thrive on operating within this accelerated and sometimes undercompensated work environment.

### A MUST

While individual public administrators must respond to the need for self-improvement, I believe the profession as a whole needs to become more cognizant of its shortcomings and take the leadership role in assuring that improvements will be effected. I would further submit to you that the American Society of Public Administrators (ASPA) must be the one to take the lead in this effort if the profession is ever to succeed in its dealings with the media. As a first step, I would strongly urge the ASPA to take the initiative and develop an on-going dialogue with its "sister" professional organization in

the media, to exchange thoughts, ideas and problems toward attaining a better understanding of each other's role and an overall improved working relationship.

As individuals vary, so do public administrators. Each person enters employment with a reservoir of knowledges and abilities. As that person matures or advances in the organization and the organization and/or external forces around it change and grow, those knowledges and abilities need reinforcement and additional knowledges and abilities need to be acquired. And so it is with the public administrator of tomorrow. Among other things, he will undoubtedly need to improve his dealings with the media. He will need to gain a better understanding of, and appreciation for, the job they do—though he may not necessarily agree with it. Flexibility, adaptability, tolerance, an open mind, honesty and candor are but a very few of the "other" qualities tomorrow's public administrator will need to develop and improve upon. To refuse to recognize this as reality can only result in contributing to the screening out of public administrators not able to rise to these new challenges and thus increasing the demand for successors. □

### ABOUT THE AUTHOR

*The author, J. PAUL BOLDUC, was formerly with the Office of Audit and the Office of the Inspector General where he numbered among his credits both the position of Assistant Regional Inspector General for Audit and for Investigation. He now is the Deputy Assistant Secretary for Administration overseeing and assisting with the management programs of personnel, budget, fiscal, audit, data processing and other administrative/management services of the USDA. He has also served as the Department's Director of the Office of Automated Data Systems. At 35, this native of Maine continues to lavish his abundance of energy and talents on family, job and civic affairs.*



*J. PAUL BOLDUC  
Deputy Assistant Secretary  
for Administration*



# ECONOMIC ANALYSIS -

## AUDITOR TRAINING AND FIELD EXPERIENCE

— By Shep Moore

*In recognition of the need to develop an in-house capability in economic analysis, the Office of Audit recently contracted with General Research Corporation, a private consulting firm, to implement a two-week training course in economic analysis for USDA auditors. Forty auditors attended the first course which was entitled "Fundamentals of Economic Analysis." Fourteen of the original 40 attended the second course, "Advanced Concepts in Economic Analysis." As part of the training, the 14 members who attended the second course conducted four economic analysis studies within the Office of Audit, and the resulting, reports, findings and conclusions obtained from these studies demonstrate that both the training in economic analysis was effective and that the application of economic analysis to problems of audit management and auditing is a visible concept.*

### INTRODUCTION

The article "Economic Analysis in Audit Management and Auditing" was featured in *Pulse* in January 1975. This article defined economic analysis and the need for its use in both audit management and auditing. The roles of both the auditors and management were described, and it was concluded that while there was a need for greater use of economic analyses within the Office of Audit, increased application would not be forthcoming until the auditors received specialized training and management fostered its development.

In January, 14 auditors completed specialized training in economic analysis studies involving problem situations within the Office of Audit. The objectives of this article are to describe the four studies performed by the auditors, and to show that economic analysis in audit management and auditing is both a viable and cost/ effective tool for the Office of Audit.

The topics discussed in this article are:

- Auditor Training
- Field Experience
- Conclusions

### AUDITOR TRAINING

The auditor training was conducted by General Research Corporation, a private consulting firm, and was provided in three courses:

- Course I - Fundamentals of Economic Analysis

- Course II - Advanced Concepts of Economic Analysis
- Course III - Field Experience

Each of the courses is described below.

Forty auditors evenly distributed from the OA regions participated in Course I, Fundamentals of Economic Analysis. The objective of Course I was to teach USDA auditors the fundamentals of economic analysis and to provide the conceptual background for conducting and evaluating economic analysis in their work environments.

Course I was designed on the assumption that the auditors had minimal previous instruction in the concepts and techniques of economic analysis. Course I treated the total process of economic analysis with particular emphasis on the analysis process from the auditor's viewpoint. Case studies from situations in agriculture were used to illustrate the concepts and techniques of economic analysis. Concepts and techniques included specification of goals and objectives, specification of alternatives and assumptions, cost measurement and benefit measurement, comparison of costs and benefits, sensitivity analysis and ranking of alternatives.

Course II was an advanced course in economic analysis with primary emphasis on treating in depth

---

DR. WILLIAM SHEPHERD MOORE is the Program Manager, Economic Systems with the General Research Corporation.

some of the more complex techniques of analysis such as statistical cost modeling, regression analysis, probability theory, statistical test of hypotheses, mathematical programming and simulation modeling.

Course III, Field Experience, involved the 14 individuals who participated in Course II. The objectives of Course III were to provide feedback on the effectiveness of Courses I and II and to enable the individuals who participated in the courses to apply their training to an actual problem situation within USDA. Four projects were selected for analysis which involved three conceptually different applications of economic analysis.

- Development of Procedures - Audit Guide for Economic Analysis of SCS Water and Related Land Resource Projects
- Evaluation of an Existing Economic Analysis - Feasibility of Installing an Uninterruptible Power System or Other Power Regulation Systems
- Implementation of Economic Analysis Studies

—Economic Analysis of an Information Retrieval System

—Economic Analysis of Advanced vs Judgment Sample Techniques of Food Stamp Audits

A team consisting of three or four USDA auditors and one technical expert from General Research Corporation was assigned to each project and an economic analysis was performed. All projects were completed successfully, and the study of the Feasibility of Installing an Uninterruptible Power System resulted in cancellation of a \$3 million procurement of back-up power equipment.

A brief description of each project and findings, conclusions and recommendations are presented below.

## FIELD EXPERIENCE

The field experience was probably the most valuable component of the training courses as it immediately placed the participants in a situation where they not only had to apply the concepts and techniques of economic analysis to a real problem, but they had to document the findings and conclusions in a final report and present the results to Mr. Leonard Greess, Director of the Office of Audit. Mr. Lloyd Stubblefield from the South East Region supervised the implementation of the four projects.

(Individuals interested in details of these studies should write to Mr. Leonard Greess in Washington, D.C. for copies of the final reports.)

The first project was the development of procedures and guidelines for auditing SCS water and related land resource projects. Since economic analysis has not had widespread application within the Office of Audit, the audit guide was a needed document and it should be of value to all auditors involved with SCS watershed projects. The audit guide describes the purpose, applicability and background for using economic analysis in auditing watershed projects, and it defines the audit objectives, audit scope and approach, and the responsibilities of the auditor. An audit plan is prescribed which includes the recommended staffing, pre-audit preparation and the audit survey. Finally, the audit steps are defined which include audit of objectives, specification of alternatives, specification of assumptions, measurement of costs and benefits, comparison of costs and benefits, sensitivity analysis and ranking and selection of alternatives.

The auditors who developed the audit guide are:

Millard Baker (SER)

Sam Currie (SER)

Malcolm Phelps (SER)

The second project was an evaluation or audit of an existing economic analysis study and involved an audit of a feasibility study conducted by a consulting engineering firm. The feasibility study was an assessment of installing an uninterruptible power system at the USDA computer centers in Washington, New Orleans and Kansas City. The feasibility study had recommended that back-up power systems be installed at all three computer centers. The audit team closely evaluated the benefits and costs derived by the engineering firm and they found that cost savings from reductions in equipment lease and maintenance costs (benefits) to be expected from installing the back-up power systems were significantly overstated. The audit team estimated the benefit/cost ratios for the three centers to be:

New Orleans = .64

Kansas City = .37

Washington, D.C. = 1.007

While the installation of back-up power at the Washington center was marginally feasible, the audit found that better results could be achieved by changing the existing electrical system supplying power to the Washington Center. The audit team



recommended that the procurement of the back-up power system be cancelled and subsequent action by USDA resulted in its cancellation.

The auditors who performed the study were:

Thomas Heidman (GPR)  
Gary Tucker (NER)  
Robert Young (NER)

The third project was an economic analysis of three alternative information retrieval systems to be used in the Office of Audit. The three alternatives consisted of the existing system, the existing system with codes added to reflect budget implications of audit findings and the proposed Audit Data System designed by the Conservation, Research, Education and Departmental Administration Division of the Office of Audit. The second alternative would involve only slight modifications to the existing system, whereas the third alternative would involve costs for hardware, systems analysis and design, program coding and debugging and program tests.

Benefits were measured by a normalized subjective scoring technique which was based on the output characteristics of each alternative. All values were normalized with respect to the existing system which was assumed to have a benefit/cost ratio equivalent to one. Costs were measured by the uniform annual cost of implementing and operating the system over an economic life of five years. The audit team estimated the benefit/cost ratios to be:

Alternative 1 = 1.0  
Alternative 2 = 1.07  
Alternative 3 = 2.01

The audit team concluded that the third alternative was the most cost/effective and recommended its implementation. The auditors who performed the study were:

Joseph Philibert (SWR)  
Randal Gordon (SWR)  
Roselae Babcock (WR)  
Kenneth Redman (GPR)

The fourth project was an economic analysis of statistical sampling techniques vs judgment sampling techniques of Food Stamp Audits. This analysis involved a large number of intangibles and several qualifying assumptions had to be made. The three major assumptions were (1) the deterrent effect of an audit is the same for both statistical sampling and judgment sampling, (2) the benefits of long-term corrective action are the same for both statistical sampling and judgment sampling, and (3) corrective action is similar for both techniques and, therefore, the cost of corrective action is the same.

Benefits were measured by the frequency rate of corrective action under each technique, and costs were measured by the number of man-days required to implement each technique. The audit team reviewed nine cases where statistical sampling had been used and 21 cases where judgment sampling had been used.

They found that the frequency of long-term corrective action was 44 percent with statistical sampling and 42 percent with judgment sampling. However, the average number of man-days spent on statistical sampling was approximately twice the average for judgment sampling. As a result, the audit team concluded that judgment sampling has been more cost/effective than statistical sampling. The audit team recommended that the Office of Audit further study this problem and also consider lowering the statistical precision of the statistical sample, thereby lowering the cost.

The auditors who performed the study were:

Alan Dethlefsen (WR)  
Larry Harton (MWR)  
Russell Hild (MWR)

## CONCLUSIONS

Four major conclusions may be drawn from the foregoing discussion:

- Auditors can effectively perform economic analyses with as little as two weeks of intensive training.
- Field experience is a critical component of training in economic analysis as it requires the participants to apply their training to actual problem situations, thereby stimulating interest and reinforcing the learning process.
- Field experience is likely to be highly cost/effective as demonstrated by the fact that the savings from the computer back-up power study alone far exceeded the total cost of the training.
- Training in economic analysis of audit management and auditing is a viable concept.

The OA Headquarters staff has supported the training in economic analysis and its application to problems of audit management and auditing. This support has resulted in an in-house capability to perform economic analyses, and it is currently the responsibility of the Regional Directors to insure that the auditors with these skills be used whenever possible to perform economic analysis studies in the field □

# A LETTER FROM DAD—

Dear Sue,

In the turmoil of your getting ready to go back to school, we didn't have much opportunity to talk. So instead of a lecture from Dad, you're going to get a letter from Dad.

This year is probably the most important of your life: The things you do this year—the activities you choose, your approach to living and working, the attitudes that you allow to dominate your daily routine—will set the pattern for the remainder of your life. This year is pivotal for you. And right now I'm concerned for the direction you seem to be heading. You seem to be continuing yesterday's unsatisfactory routine: Postpone responsibilities, concentrate on what's fun, and rationalize failures. I can recognize these failings because in you I can see so much of myself.

I have shared with you some of my troublesome predilections. Can I also share some of the ways I've found to avoid trouble? Here are some: (1) Decide where you want to go in life; (2) Decide what you are willing to do to get there; (3) Treat yourself with respect; and (4) Be honest with yourself.

First, where you are going. Walk off somewhere by yourself—maybe for a stroll down on the Point. Leave your friends behind; they can't help you this time. Now think: What do you want to do with your life from this time on? Look at all the options (and remember, you can't back up anywhere in your life). You can become a . . . . what? Biologist? Writer? Teacher? You can find a husband and let him decide your future. You probably can go back to Zayre's as a cashier. Whatever your goal, you'll have to decide it unequivocally. I don't think you've really done that yet. You've only thought about what would be neat. Think now about what you *want*.

Next, what are you willing to do to get to your goal? No matter where you want to go, you're going to find that you *have* to do a lot of unpleasant things on the way. And that's where you're likely to run into trouble. One of the shortcomings that we share is procrastination. It's always easier to wait until later to do a rotten task. But I've discovered something revolutionary: The longer you put off doing an unpleasant job, the more likely that unpleasantness is to interfere with your doing something you really want to do. And if you put it off long enough, you can build yourself a crisis, so you finally have to do the job—and do it right the first time—or fail at an overall objective.

So you have to develop priorities. Where will your primary energies be spent? Will you get the necessary rotten job out of the way first? Or will you put it off until it grows into a

crisis? When there's a conflict between what must be done and what you'd like to do, how will you resolve it? (Remember the room-cleaning experience where you put it off until the last bitter moment, then did a halfway job.)

If you set the kind of priorities needed to get you through school successfully, you'll have to get some friends' help. You'll have to make them understand the pressure that's on you (this could be your last year in school) and get them to wait a few minutes, or hours, until you finish that priority job. They'll wait. They like you and will understand. (You might share this letter with them.)

Next, treat yourself with respect. We're going to have to talk about morals here. You know what kind of home environment you've had. You know what your mother and I expect of you. You know how you felt about the way the older people fooled around at the pool parties and how glad you were that your mother and I weren't participating. We feel the same way about you—hope that you are different from what appears to be the norm at your school. To all appearances, you are living in an environment that can be described only as dissolute. That means if you behave yourself, you'll have to be one of the odd-balls. Just remember, you're a child of God. He made no mistakes in your creation, you were created for a higher purpose than to help some guy relieve his gonadal tensions.

Finally, be honest with yourself. Learn to recognize your own rationalizations and to allow for their possibility at all times. Learn to recognize your own motives: Usually a person wants to present himself in the best possible light and he'll go to almost any extreme to do so. So try to sort out which of your actions are influenced by ego, which by laziness, and which by logic.

And face the fact that you really don't know a subject better than your instructor. Do it his way, unless his way is dangerous or immoral. If his way is merely foolish, do it his foolish way. It's good training for your future employment, when you frequently will be required to take actions that are against your better judgment.

I guess this whole thing can be summarized. Sue: Develop a goal-oriented discipline for yourself. But beyond this, be gentle with yourself. Be Happy. Be good.

Love,

Dad

Copyright DR. 1975. Reproduction rights reserved.



# THE GREAT SAGE REVISITED or

## MBO IMPOSSIBLE

It is a rarity when the Great Sage of Audit does not apply that which he has learned in a training course. Recently, in concert with a confidante he declines to identify, he worked up the following after taking OA's Management By Objectives/Results course. Naturally MBO/R was applied first to one of the three human wants he has previously identified.

### Mission Statement

The mission of the Great Sage is physical and mental well being.

### Role

Initiate the act of love.  
Stimulate the participant.  
Direct the act of love.

### Effectiveness Areas

Receptiveness  
Involvement  
Response

### Forecast

The act of love will be necessary daily.

### Goal

To achieve mutual satisfaction and gratification from the act of love.

### Objective

To acquire mutual satisfaction and gratification by 12 midnight at a cost not to exceed \$75.

### Program

Use at least 6 terms of endearment at breakfast  
Telephone  
Wine and dine  
Send flowers  
Picnic supper of chicken and white wine  
Music - Tschaikovsky, Ravel  
Brandy  
Kiss on neck  
Bite gently tip of left ear  
Etc.

### Budget

Lunch \$30  
Flowers \$15  
Picnic \$20  
Brandy \$10

### Controlling

Establish standards for obtaining objective.  
Measure performance of activities that will obtain objective.  
Take corrective action on programming (activities).

### Schedule

Telephone at 10 a.m.  
Wine and dine at 12:30 p.m.  
Send flowers at 4 p.m.  
Picnic supper at 7 p.m.  
Brandy and music at 9 p.m.  
Bingo at 12 midnight

### Measurement of Objective Achievement

60% bloodshot eyes at 8 a.m. daily  
Mounting debts

# SPOTLIGHT



We salute the Agencies of the United States Department of Agriculture whose employees work so diligently in an almost mind boggling variety of endeavors to improve the well being of its world-wide constituency. Below, we point up but a few of some of the Agencies' more recent accomplishments.

## **Agricultural Marketing Service**

Developed an early alert program for detection of unusual inspection and handling problems in grain as soon as possible after harvest to facilitate corrective measures before problems reach major proportions.

## **Agricultural Research Service**

A new ARS process for flameproofing wool, wool-blended fabrics and nylon could reduce the 3,000 to 5,000 fatalities caused every year by flammable fabrics. The new treatment is economical, easy to apply, non-irritating, does not impair the dyeing process nor does it wash out of treated fabrics after 10 launderings.

## **Extension Service**

Extension devoted more than 1,500 man years to community rural development programs in 1974, an increase of 240 man years, or 18 percent, over 1973. Extension assistance devoted to major community problem areas is expected to increase to nearly 2,500 man years by 1979. All efforts are expected to show increases, with the problem areas of manpower development and public policy and legislation singled out for greatest attention.

## **Farmers Home Administration**

\$4.46 billion in credit was made available in over 216,000 loans to farmers, rural homeowners, municipalities and other organizations. The dollar amount exceeds any previous calendar year, and the number of loans is second only to the 277,287 in 1973.

## **Federal Crop Insurance Corporation**

Federal Crop Insurance protection for insured growers topped a billion dollars for the second straight year in 1974. Some 18 million acres of crops were insured by Federal Crop Insurance against loss from drought, storms, freeze, disease and insect damage. Total protection of crop production expenses was \$1,115,542,000.

## **Food And Nutrition Service**

Through an array of child nutrition programs, FNS continued providing cash and food assistance to help underwrite the service of 4.4 billion meals a year to children in public and non-profit private schools, child care centers, settlement houses, summer day camps and recreation centers. Ninety percent of the federally-assisted meal service was through the National School Lunch Program, which in October reached 24.5 million youngsters. Of these, over 9 million children from poor families received free or reduced price meals.

## **Soil Conservation Service**

A giant photo mosaic of the contiguous 48 states, the first ever assembled from satellite images, was completed by SCS in cooperation with NASA's ERTS program. The mosaic provides the first synoptic look at the U.S. for scientists assessing geologic faults on a subcontinental basis.



# FOL TRACK



## Did You Know That—

- A Congress lasts for two years, commencing in January of the year following the biennial election of members, and
- Approximately 25,000 to 30,000 bills and resolutions are introduced during the two-year period, and
- Less than 3 percent of the bills and resolutions introduced become law, and
- After a bill is introduced it is referred to an appropriate committee, and
- A bill goes from committee to floor, and
- Both the Senate and the House must pass a bill before it is referred to the President for approval or veto?

It is this lengthy and somewhat complex procedure that is often criticized on the one hand for being too slow and, on the other hand, for allowing a particular bill to be “steamrolled” through Congress. The fact that so few bills become law should not discourage use of the legislative process to seek solutions to problems for, notwithstanding its critics, the Federal legislative process is one of the vital bulwarks of our representative system and deserves the fullest understanding and support. □

\* \* \* \* \*

The USDA legislative proposal to amend section 1114 of Title 18 of the U.S. Code (the Federal Assault Statute) to include coverage of USDA officers and employees assigned to perform investigative, inspection, or law enforcement functions was introduced as S. 1648 and referred to the Committee on Agriculture and Forestry. The same provision has been included in S.J. Res. 88, to provide emergency authority to the Secretary of Agriculture to restore confidence in the United States grain inspection system. □

\* \* \* \* \*

The Digest of Public and General Bills and Resolutions, 94th Congress, 1st Session, lists more than 300 bills under the heading of “Federal Employees and Officials.” The bills cover many subjects ranging from administrative hearings to equal treatment for women. One bill, H.R. 5805, would limit Federal pay increases to 5% while H.R. 992 would establish a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas in order to offset the increased cost of living. The bill to increase travel and per diem allowances has already been enacted. Bills under many other headings, if enacted, would affect Federal employees and officials, but space does not permit further discussion. □

\* \* \* \* \*

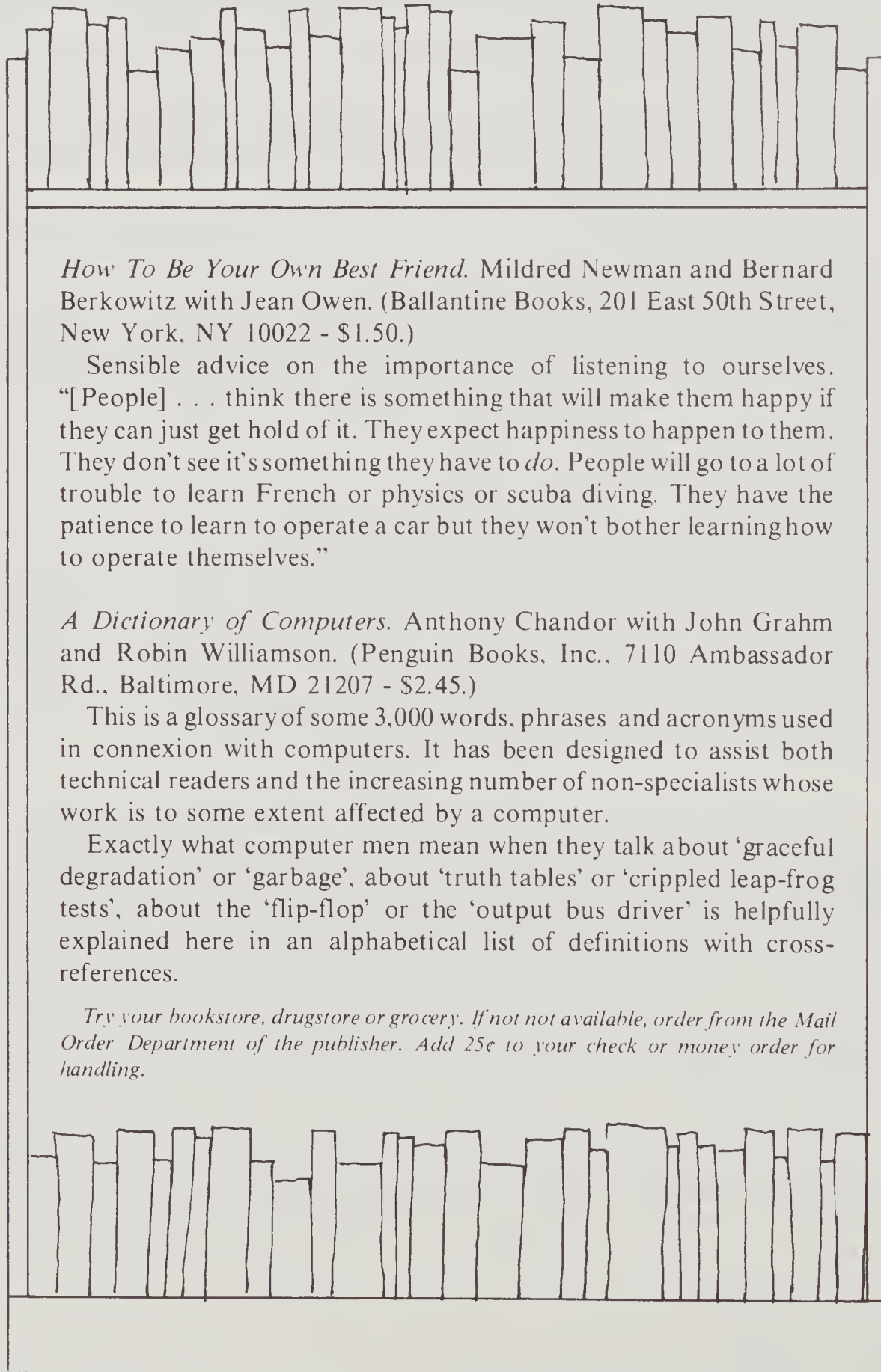
Many agencies within USDA publish periodicals in the public interest. They should also be a source of interest to auditors. One such publication is *Food and Nutrition*, published bimonthly by the Food and Nutrition Service. An article in the latest issue (June 1975) for example, discusses Quality Control. “A management evaluation tool States are using to take corrective action to improve the food stamp program.” □

**Amos E. Martinez**

*Office of Management and Finance, USDA*

# BOOKSHELF:

## *BARGAINS IN GOOD READING!*



*How To Be Your Own Best Friend.* Mildred Newman and Bernard Berkowitz with Jean Owen. (Ballantine Books, 201 East 50th Street, New York, NY 10022 - \$1.50.)

Sensible advice on the importance of listening to ourselves. "[People] . . . think there is something that will make them happy if they can just get hold of it. They expect happiness to happen to them. They don't see it's something they have to *do*. People will go to a lot of trouble to learn French or physics or scuba diving. They have the patience to learn to operate a car but they won't bother learning how to operate themselves."

*A Dictionary of Computers.* Anthony Chandor with John Graham and Robin Williamson. (Penguin Books, Inc., 7110 Ambassador Rd., Baltimore, MD 21207 - \$2.45.)

This is a glossary of some 3,000 words, phrases and acronyms used in connexion with computers. It has been designed to assist both technical readers and the increasing number of non-specialists whose work is to some extent affected by a computer.

Exactly what computer men mean when they talk about 'graceful degradation' or 'garbage', about 'truth tables' or 'crippled leap-frog tests', about the 'flip-flop' or the 'output bus driver' is helpfully explained here in an alphabetical list of definitions with cross-references.

*Try your bookstore, drugstore or grocery. If not available, order from the Mail Order Department of the publisher. Add 25¢ to your check or money order for handling.*



# PERSPECTIVE



ROY L. NEAL, OA  
*Great Plains Regional Director*

## SETTING THE STAGE

An audit's success may well depend on how it begins:

While I was getting my on-the-job training as an auditor, I entered the auditee's office in a small town with my AIC, who announced, "I AM A FEDERAL AGENT!" That evening, people cleared a path for us on the sidewalk, but that was the full extent of cooperation we received in that town.

An auditor entered an office while the manager was engrossed in work. When the manager saw the auditor's credentials, she exclaimed, "Good grief, no!"

In both instances, auditees should have been better prepared for the auditor's visit. Sometimes, however, no amount of preparation will help. I once presented my credentials to a warehouseman, announcing that I was there to measure his grain and verify his liability for stored grain. He exploded! As he roared threats and pounded the desk, I watched ash trays bounce across the floor. He, of course, had converted stored grain to his own use.

Ideally, I believe, the county supervisor during the entrance conference will introduce the entire staff to the auditor, and together they will arrive at an understanding about ground rules for the audit, how files are to be handled, what the estimated date of completion is and similar concerns.

While discussing the audit entrance conference with a group of state and district supervisors, I stated this belief. One supervisor exclaimed "Why man, you can't believe what happens to people when the auditor walks in. They are frozen speechless . . . not even normal for a day or two."

Perhaps he overstated the case, but it's true that few of us have experienced the change in pulse brought about by the words, "The auditor is here." Time, we all agree, is a resource to be conserved. But conservation is wise use. Certainly don't pinch time at the entrance conference—time that's needed to set the stage. And remember, a smile here and there helps, even in a fraud case.

Also needed for a successful audit is the ability to ask the proper question, to interview—just as important to the auditor as to the special agent. A few years ago, one of our young auditors, highly qualified for the job, was not doing well in his first year. Some began to conclude that he could not develop successfully. He was assigned to another supervisor, however, and he suddenly blossomed. Why? The answer was simple, according to the supervisor: The young auditor had thought that before he could ask questions of auditees, he had to be an expert in their subject. Then he found that the auditee employees were pleased to explain their work and discuss their work problems.

I have often said that successful auditing requires a liberal understanding—and use—of human psychology. That and the standard tools of the profession have been necessary for audit success. And they will continue to be essential. But to these, auditors of today and tomorrow must add, and master, the advanced techniques of the computer age.

Human psychology, conventional audit tools and now, modern computer techniques—all are necessary for every auditor if he is to set the stage for his own professional success. □

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250

---

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE  
AGR 101  
FIRST CLASS



**1975: INTERNATIONAL  
WOMEN'S YEAR**



*This is the official UN emblem for the International Women's Year: a stylized dove; the biological symbol for woman; and the mathematical sign for equality.*